



Find out more about  
Rural Development  
programs at:

[www.rurdev.usda.gov](http://www.rurdev.usda.gov)

or call:

804-287-1595

804-287-1753 (TDD)

COUNTY/MSA/ FMR AREA	1 PER- SON	2 PER- SON	3 PER- SON	4 PER- SON	5 PER- SON	6 PER- SON	7 PER- SON	8 PER- SON
Charlotteville MSA	53700	61350	69050	76700	82850	88950	95100	101250
Culpeper CO	50850	58100	65400	72650	78450	84250	90100	95900
Frederick CO	49000	56000	63000	70000	75600	81200	86800	92400
King George CO	54900	62700	70550	78400	84650	90950	97200	103500
Northumberland CO	48400	55300	62250	69150	74700	80200	85750	91300
Rappahannock CO	50850	58150	65400	72650	78500	84300	90100	95900
Richmond MSA	54450	62200	70000	77750	84000	90200	96450	102650
VA Beach MSA	48550	55500	62400	69350	74900	80450	86000	91550
Warren CO	49550	56600	63700	70750	76400	82050	87750	94300
Washington MSA	60000	68550	77150	85700	92550	99400	106250	113100
All Other Counties	48000	54850	61700	68500	74050	79500	85000	90500

Rev. 05/06



Committed to the future of rural  
communities



## SECTION 502 GUARANTEED RURAL HOUSING LOANS

Information for Applicants  
and Realtors

This program is administered by the  
Rural Housing Service, an agency  
within the Rural Development  
mission area of the U.S.  
Department of Agriculture

## Am I Eligible?

To be eligible, applicants must:

- Have an adequate and dependable income;
- Be a U.S. Citizen or be legally admitted to the United States for permanent residence;
- Have an adjusted annual household income that does not exceed the moderate income limit established for the area;
- Have a credit history that indicates a reasonable willingness to meet obligations as they become due;
- Have a repayment ability based the ratios of 29/41;
- Must be without decent, safe and sanitary housing within the local commuting area;
- Be unable to obtain a loan without Private Mortgage Insurance;
- Possess the legal capacity to incur the loan.

## What Types of Homes Qualify?

- Guaranteed loans can be made on either new or existing home;
- Existing homes must be structurally sound, functionally adequate, and in good repair;
- There are no restrictions on the size or design of the home financed;

- Homes with in-ground swimming pools are not allowed;
- The home must not be used for income-producing purposes;
- Homes must be located in eligible rural areas.

## Eligible Rural Areas

Some portions of the Commonwealth are not eligible. Please check our website for details

## What are the terms?

Loans may be made for up to 102% of the appraised value. The repayment period is 30 years.

## What loan closing costs will I need to pay?

Applicants should expect to pay their loan closing costs that may include lender fees, attorney fees, title services, funding escrow accounts, and other pre-paid items. These fees may be included in the loan amount if supported by the appraisal. Or, the fees may be paid from gift funds or a seller contribution. Loan closing costs will amount to approximately 5-7% of the sales price of the house.

## Where Do I Find Out Additional Information About the Home Buying Process?

Homebuyer education is required for most applicants prior to applying for a loan. These classes review important issues such as the Realtor/client relationship, how to find your dream home, budgeting, proper use of consumer credit, the lender/client relationship, and what to expect once you are a homeowner. The classes are offered for free by non-profit organizations, The Virginia Housing Development Authority, Rural Development, Fannie Mae, and some lenders. The VHDA web site provides a calendar of schedule homeownership classes at [www.vhda.com](http://www.vhda.com). Classes are offered by video tape, textbook or classroom style.

## Where Do I Make an Application?

For a full list of lenders, please visit our web site [www.rurdev.usda.gov](http://www.rurdev.usda.gov)

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